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RUEHWL/AMEMBASSY WELLINGTON 2156
RUEHLO/AMEMBASSY LONDON 1617
RUEHBJ/AMEMBASSY BEIJING 5525
RUEHUL/AMEMBASSY SEOUL 4245
RUEHCHI/AMCONSUL CHIANG MAI 4775
RHHMUNA/CDR USPACOM HONOLULU HI
RHEFDIA/DIA WASHDC
RHHMUNA/HQ USPACOM HONOLULU HI
RHEHNSC/NSC WASHDC
RHFJSCC/COMMARFORPAC
RUEAIIA/CIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 000382

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SUBJECT: AMBASSADOR AND DEMOCRAT PARTY LEADERS DISCUSS
BILATERAL TIES, DEMOCRACY, HUMAN RIGHTS

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Classified By: Ambassador Eric G. John, reason: 1.4 (b) and (d).

SUMMARY

11. (C) The Ambassador met on February 4 with Democrat Party Leader Abhisit Vejjajiva for a broad discussion of bilateral relations. Abhisit welcomed the Ambassador's emphasis on promoting good governance, noting that Thai democracy depended on transparency and respect for the rule of law. The Ambassador explained USG wariness about the RTG possibly starting a new "war on drugs." Abhisit described how his "shadow cabinet" would promote democratic practices. The Ambassador warned Thailand would have to compete aggressively for new foreign investment; Abhisit said he hoped the new administration would take clear measures to reverse some economic policies of the interim government. Abhisit explained that it would be up to the People's Power Party to determine how to move forward with constitutional reform, which Abhisit favored. The Ambassador also paid a courtesy call on former Prime Minister Chuan Leekpai, who expressed deep appreciation for the longstanding U.S.-Thai relationship. End Summary.

GOOD GOVERNANCE KEY TO MAINTAINING DEMOCRACY

12. (C) The Ambassador paid an introductory courtesy call on Democrat Party (DP) Leader Abhisit Vejjajiva on February 4. (Note: Once the cabinet is formed, the King will formally appoint Abhisit as the leader of the opposition in the House of Representatives. End Note.) The Ambassador congratulated Abhisit on his party's strong performance in the 2007 election. Abhisit said he was pleased that the elections had proceeded smoothly and that an elected government would soon take office. Abhisit hoped for a return to political stability, although he said this would depend on how the government would handle sensitive issues surrounding the possible return to Thailand of deposed PM Thaksin Shinawatra.

13. (C) The Ambassador explained his intention to focus on promoting good governance in Thailand. Abhisit agreed that Thailand needed to focus on this area, as the 2006 coup d'etat had been prompted by corruption, human rights violations, and the breakdown of the rule of law during the Thaksin administration. Abhisit believed that good governance would prevent the military from again intervening forcibly in politics. He said he did not know, however, whether the People Power Party had learned this lesson from the events of the past year and a half. Abhisit recommended that friendly nations exert pressure on the Thai government in the event of a return by the RTG to undemocratic Thaksin-era methods.

WAR ON DRUGS

14. (C) Citing People's Power Party (PPP) campaign promises to resume a "war on drugs," the Ambassador said the USG had an interest in working cooperatively with the RTG on counternarcotics, but such efforts should proceed with transparent, democratic methods. The USG was concerned about the heavy-handed methods that had been used during the Thaksin era, and any extrajudicial activities by the RTG would jeopardize U.S. cooperation. Abhisit remarked that it remained unclear what approach the new government would take, but many people expected a second "war on drugs" to begin in the near future, based on the popularity of this PPP campaign plank.

CABINET AND SHADOW CABINET

15. (C) The Ambassador asked Abhisit why many well-regarded figures with economic or financial expertise seemed reluctant

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to join PM Samak Sundaravej's cabinet. Abhisit highlighted the absence of economic elements in PPP's platform, as well as the uncertainty regarding the return to Thailand of Thaksin, who has been widely seen as playing an important behind-the-scenes role. Potential cabinet members likely were reluctant to work in conditions of high uncertainty surrounding both government policy and whom they would be accountable to.

16. (C) Citing press reports, the Ambassador asked Abhisit's intention in forming a "shadow cabinet." Abhisit acknowledged that Thai political parties had not previously used this type of mechanism, although it is common in other parliamentary democracies. Typical Thai legislators seldom demonstrated a capability or even interest in handling substantive portfolios; consequently, the public was less likely to trust professional politicians than people with expertise in the relevant field (e.g., the public would want a doctor to be Minister of Health). Abhisit believed the DP's shadow cabinet would help to improve public perceptions of politicians, and, specifically, it could build allow DP legislators to build a positive public positive image. The shadow cabinet also would facilitate the DP's fulfillment of its obligations as an opposition party in a democratic system.

ECONOMIC ISSUES

17. (C) Abhisit asked the Ambassador's perspective on the state of the U.S. economy. The Ambassador explained that the U.S. economy remained flexible and healthy in many ways, although the subprime mortgage crisis had created uncertainties, especially in the banking sector. The Ambassador acknowledged that reduced consumer demand in the U.S. could have an impact on Thai exports. The views of U.S. investors, however, were of greater significance for the Thai economy, and Thailand could help itself by reexamining some of the RTG's recent economic policies, including proposed

amendments to the Foreign Business Act and the issuance of compulsory licenses for pharmaceutical products.

¶8. (C) American business leaders in Thailand were not abandoning their ventures here, the Ambassador said, but fewer investors were looking to move into Thailand. The region was highly competitive, and the Thais could not assume that they would receive foreign investment without adopting an aggressive and savvy approach. Abhisit agreed with the Ambassador, saying he hoped the new parliament would drop the idea of amending the Foreign Business Act. He also predicted that the Bank of Thailand would scrap a highly controversial regulation introduced by the interim administration requiring a 30 percent foreign currency reserve requirement. Abhisit indicated that it would be appropriate and welcome for the new administration to make strong moves on the economic front in the coming days.

CONSTITUTION

¶9. (C) The Ambassador asked Abhisit's expectations for constitutional reform. Abhisit said that it would be up to the PPP and its coalition partners to determine what they wanted to do; the coalition had sufficient MPs to amend the constitution without needing DP support. The DP felt that the constitution should be amended, Abhisit said, although he did not specify particular provisions he would like to change. He did dispute a popular notion that the 2007 constitution would lead inevitably to weak governments and coalitions comprising of many small parties. Thai political culture had evolved in recent years, and there was now a tendency toward something resembling a two-party system. At the moment, the political landscape featured a basic division between pro-Thaksin and anti-Thaksin camps, but the defining issues could change in the future.

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OTHER ISSUES

¶10. (C) Citing the Embassy's mid-2007 transfer of documents to the Attorney General's office regarding the purchase of CTX scanners for Suvarnabhumi airport, the Ambassador told Abhisit he intended to continue cooperation with the RTG on corruption cases involving U.S. actors. The Ambassador discussed his intention to travel throughout Thailand, engaging in outreach with civic leaders. He also encouraged Thai legislators to build strong relations with their U.S. counterparts, including through visits. Turning to Burma, the Ambassador explained that, while he understood the complexities of the Thai-Burma relationship, he believed the time was right for Thailand to press the Burmese junta to address international concerns, using the example of Thailand's own recent democratic elections.

DISCUSSION WITH CHUAN

¶11. (C) Following his meeting with Abhisit, the Ambassador met with former Prime Minister Chuan Leekpai, who retains great influence in the DP. The Ambassador provided Chuan with a similar exposition of his views and agenda. Echoing Abhisit's position, Chuan expressed satisfaction with Thailand's recent transition but noted that democracy requires more than just elections -- it would require the legitimacy that flows from good governance. Chuan said he believed the DP, as a strong opposition party, could promote accountability and reinforce a democratic system of checks and balances.

¶12. (C) Chuan reciprocated the Ambassador's expression of appreciation for the longstanding U.S.-Thai alliance; the former PM cited U.S. support for Thailand during and after World War II. During the Indochina wars, Chuan recounted,

Thailand had sided with the U.S. and resisted the communist movement which had been able to overthrow neighboring governments. Thailand's resilience as a democratic country stemmed from the strong role of the Thai monarchy, Chuan asserted. He expressed appreciation for the Ambassador's enthusiasm for improving bilateral relations, noting that some younger Thai academics were not as positive about the U.S. as older figures were.

COMMENT

¶13. (C) Abhisit's formation of a shadow cabinet reflects a level of energy, creativity, and idealism which helps to distinguish the DP from many other Thai political parties. DP leaders have the talent to act usefully as a strong opposition force, enhancing the checks and balances necessary for a healthy democratic system. It remains uncertain, however, whether many Thai voters will prove appreciative of the party's efforts and reward the DP in future elections.
JOHN